GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Municipal Administration & Urban Development Department – AMRUT Reforms - Policy on fixation of user charges for water supply in the Urban Local Bodies and Guidelines on ease of getting water tap connections in ULBs – Orders – Issued.

MUNCIPAL ADMINISTRATION AND URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.MS.No. 159 Dated: 17-05-2018

Read the following:

1. From Director of Municipal Administration, Guntur, Lr. Roc. No. 14347/2015/M2, Dated: 11-12-2015.

2. From the Director, Municipal Administration, Guntur Letter Roc.No. 14347/2015/M2, Dated: 02.09.2017.

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O R D E R:

In the circumstances reported by the Director, Municipal Administration, Guntur in the references read above, Government hereby issue Policy on fixation of user charges for water supply in the Urban Local Bodies and Guidelines on ease of getting water tap connection in Urban Local Bodies of Andhra Pradesh as annexed I and II to this order.

The Director, Municipal Administration, Guntur shall take necessary further action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Director, Municipal Administration, Gorantla, Guntur.
Sf/Sc

//FORWARDED BY ORDER//

RESEARCH OFFICER

ANNEXURE .I

Policy on fixation of user charges for water supply in Urban Local Bodies with differential rates

1. Reforms under AMRUT

1-1. Atal Mission for Rejuvenation and Urban Transformation (AMRUT) mandates a set of 11 reforms which have to be implemented by all the States and 500 Mission Cities within a period of 4 years from 2015-16 to 2018-19. The list of reforms is given in Annexure-I of AMRUT Mission Statement & Guidelines. The State has submitted a road map of implementation of reforms on 28-9-2015 to Ministry of Urban development, GOI as part of State Annual Action Plan (SAAP) which will include reforms to be implemented both at the State and city / town levels. One of the reforms to be implemented by the State and urban local bodies (ULBs) is "improvement in levy and collection of user charges" [Item 8 (b) of the list].

1-2. Reforms are expected to improve service delivery, mobilization of resources and making municipal functioning more transparent and functionaries more accountable. AMRUT incentivizes reforms implementation by setting aside 10% funds as incentives for State / ULBs. The incentive fund will be in addition to the central share as allocated annually. Incentive will be based on a self-assessment done by the ULBs and confirmed by State Level High Powered Steering Committee (SHPSC). Total outlay for AMRUT is Rs. 50,000 crores for five years from FY 2015-16 to FY 2019-20; and 10% of it,

amounting to Rs. 5,000 crores is expected to be allocated as incentive for reforms during the mission period.

1-3. Certain timelines have also been prescribed for implementing the reforms. The timeline prescribed for implementing the reform namely "improvement in levy and collection of user charges' [8(b)] is 12 (twelve) months from 01.04.2015. Under user charges, "water charges" constitute a major source of income in the ULBs. Considering the potential of water charge, an exclusive measure has been proposed under milestone (1) of reform 8 (b) under AMRUT and the timeline to implement it is 12 months. The milestone reads as 'adopt a policy on user charges for individual and institutional assessments in which a differential rate is charged for water use and adequate safeguards are included to take care of the interests of the vulnerable'.

2. Water charges:

2-1. As per Section 138 of A.P. Municipalities Act, 1965 the Municipal Council shall as far as the funds at its disposal may admit, provide a sufficient supply of water fit for the use of the inhabitants. Section 141(1) of the Act, provides that payment for water supplied shall be made on such basis, at such times and on such conditions stipulated by the Council in the water supply bye-laws made by the Council. Byelaws will be made by the Council under Section 330 of the Act, among others, for the supply of the water for consumption and use. There is a prescribed procedure for making byelaws in the municipality.

2-2. As per section 141 (2) of the Act, supply of water is classified under the following categories:

(i) Supply to residential buildings
(ii) Supply to residential hotels
(iii) Supply to shops, commercial establishments (other than industrial undertakings), restaurants, eating houses, theatres and places of public

amusement or entertainment
(iv) Supply to industrial undertakings
(v) Supply to non-residential buildings not falling within the scope of category (ii), (iii) and (iv)

3. Amendments to water supply bye-laws fixing Irevision of water charges:

3-1. As per the existing procedure for fixation/ revision of water charges, the Municipal Council has to take a provisional decision for fixing/revision of water charges and issue a draft notification calling for objections / suggestions in respect of fixing/revision of water charges duly fixing a specified date for submission of objections / suggestions (Section 332)., The draft notification shall be published in the district gazette and on the notice board of municipal office and gist of notification in a local newspaper having wide circulation in the district for information of the / public.

3-2. Thereafter the Municipal Council has to consider the objections / suggestions received for fixation/revision of water charges and finally fix up the rates. After taking a decision in this matter, the water supply bye-laws are to be amended in draft and submitted to the Engineer-in-Chief (Public Health) for approval, who is the competent authority to approve the water supply bye-laws. [Section 333 provides Government's approval for the bye-laws, and the power has been delegated to ENC (PH) in respect of water supply bye-laws]. After getting the approval of ENC (PH), the final notification has to be issued by the Municipal Council fixing / revising rates of water charges for the information of the public. The final notification relating to amendments to water supply bye-laws approved by the Municipal Council has to be published in the district"gazette and on the notice board of municipal office and gist of notification in a local newspaper having wide circulation in the district for information of the public.

3-3. Similar provisions exists for municipal corporations also vide Sections 586 to 589 of GHMC Act, 1955 (now Corporations Act)

3-4. Water charges are collected under the following categories:

i. Residential - unmetered
ii. Non-residential like shops, commercial establishments, hotels, restaurants etc., through meter connections
III. Bulk supply to industrial units - through meter connections

3-5. In addition to water charges, the municipality also collects under section 142 of Andhra Pradesh Municipalities Act, 1965 pipeline service charges to defray the capital cost of pipeline service works and operation and maintenance of pipeline system (usually called as donation for sanction of water tap connections). Similar provisions exist for municipal corporations under the following provisions.

i. Water charges - Transitional provisron under section 8(3) of Greater Visakhapatnam Municipal Corporation Act, 1979, section 8 (3) of Vijayawada Municipal Corporation Act, 1981 and section 16' (3) of AP Municipal Corporations Act, 1994.

ii. Pipeline service charges - Section 7 A of GVMC Act, 7 A of VMC Act, and section 15 of APMC Act.

iii. Making bye laws - Section 586 of GHMC Act, 1955 (now Corporations Act) read with Section 7 of GVMC Act, Section 7 of VMC Act and section 14 of APMC Act.

4. Rates / Tariff of Water charges:

Since the rates of water charges and donations have been fixed by the respective municipalities and municipal corporations, different rates are in force, These rates are detailed below:

4-1 **Water charges in municipalities**:

4-1-1. Residential connections - Ranging from Rs,30/- to RS.1001-per tap per month (unmetered connections) Water charges for domestic unmetered connections have been fixed in ULBs ranging from Rs. *201*- to Rs *125/*- per month as shown here under.

S.No.	Water Charges per Month	No. of ULBs
1	Below Rs. 30/-	1
2	Rs. *301*- to Rs. 50/-	15
3	Rs. *51/*- to Rs. *75/*-	37
4	Rs. 76/- to Rs. 100/-	49
5	Above Rs. 100/-	5
	Total	107

Note: Information not received from 3 ULBs namely Piduguralla, Visakhapatnam and Vijayawada.

4-1-2. As seen from the data furnished by the ULBs water charges have been fixed previously during various years as shown here under.

S.No.	Period	No. of ULBs
1	. 1995 to 2000	16
2	. 2001 to 2005	22
3	2006 to 2010	13
4	2011 to 2015	48
5	2015 to 2016	3
	Total	102

Note: Information not received from 8 ULBs namely Nellimarla, Yellamanchili, Nuzividu, Srikakulam, Piduguralla, Chimakurthy , Visakhapatnam and Vijayawada.

4-1-3. Commercial - Some categories are charged on tap rate basis and some categories on meter connection basis.

i) Commercial (tap rate) - Ranging from RS.120/- to RS.300/- per tap per month
ii) Metered Connections - Ranging from RS.3.50/- to Rs.40.00/- per kilo litre.

4.2 **Water charges in municipal corporations**:

i. Residential connections - Ranging from Rs. 60/- to Rs. 125/- per tap per month. (7 Corporations are charging Rs. 100/per month)

ii. ii. Commercial connections- All commercial connections are charged on meter basis and the charges range from Rs.10.00 to RS.50.00 per kilo litre.(Only one ULB is charging Rs. 50.00 per kilo litre).

4-3. Similarly, the rates for water connection charges (donations) vary in municipalities as well as in municipal corporations. The current rates as per the information available are:

1) **Municipalities:**
I. General Ranging from Rs.2, 000/- to Rs.10, 000/- per connection
ii. OYT category - Ranging from Rs.5, 000/- to RS.30,000/- per connection

2) **Municipal corporations:**

i. General Rs.6, 000/- per connection
ii. OYT category - Rs.10, 500/- per connection

In addition to the water charges and donations, municipalities also collect (i) road cutting charges (ii) supervision charges and (iii) advance water charges (caution deposit) before sanction of water supply connection.

5. **Expenditure on water supply**:

5-1. The expenditure on 0 & M under "water supply" cover

i. Salaries of all categories of employees in water supply section
ii. Electrical consumption charges
iii. Cost of consumables like bleaching powder, alum, chlorine etc.,
iv. iv. Cost of maintenance / replacement of pipelines and other material

v. Repair to pump sets, motors and other water supply and electrical installations
vi. Loan annuities (of borrowings taken for water supply installation or improvement)

5.2. Income from water supply:

The following items are considered as income from water supply:

i. Water charges
ii. Connection charges for water supply (i.e. donation)

5-3. It is ideal that the income from "water supply" (paragraph 5-2) should cover the O&M expenditure referred in paragraph 5-1. The capital cost however could not be considered as a recoverable amount from the users. As a practice, it is considered appropriate that the receipts under any service should cover the operation and aintenance charges. (charges referred in the paragraph 5-1.)

5-4. All ULBs in the State except 3 ULBs for which information is not received i.e Piduguralla, Visakhapatnam, Vijayawada have incurred O&M expenses on water supply to a tune of Rs. 261.64 Crores for the year 2013-14 where as the said ULBs have realized water charges to a tune of Rs. 163.88 Crores for the same period. It is observed that the ULBs have realized approximately 63% of the operations and maintenance cost of water supply from user charges for the year 2013-14.Statement showing water charges and O&M expenses for water supply for the year 2013-14 is attached as annexure -II.

6. **Need to revise water charges**:

6-1. There is immediate need to revise water charges in such a manner to enable the municipal bodies to realize the operation and maintenance cost in full from the users of water supply, among others, for the following reasons:

i. 38 ULBs have fixed the water charges prior to year 2005 and 54 ULBs have fixed the water charges from 2011-15 and thereafter there is no revision of water charges.

ii. ii. Power charges for water supply have increased by approximately by 100% in a period of 15 years (between 2000 and 2014).

iii. iii. Pay and Allowances of water works staff and the amount paid to outsourcing persons have also increased by 200% approximately during the above period of 15 years.

iv. iv. Similarly, there is considerable increase in the cost of consumables and maintenance of distribution lines, pump sets, motors and other installations by atleast 200%.

v. v. The municipal bodies are realizing approximately 63% of the operation & maintenance cost of water supply from user charges. It results in marked deficiency in the maintenance of water supply system. The filtration plants, electrical installations and pump sets etc. are not being repaired regularly.

vi. vi. Pipelines are not being replaced in several municipal bodies though they outlived their utility.

vii. vii. Pipelines also could not be replaced immediately wherever they are found leaking.

viii. viii. Most of the municipal bodies have defaulted in paying electrical charges to APTRANSCO and dues reached about Rs. 226.00 crores by 1-9-2015.

ix. ix. There is regular increase in user charges by other public utilities like APSRTC, Electric Charges etc.,

6-2. Government have issued instructions to the municipal corporations during the years 1997 and 1998 to revise water charges for domestic connections (unmetered) from *RsAOI-* to *Rs.1001-* per month. They also desired that the Municipalities should increase the existing tariff by 50%. In pursuance of the above Government orders, the municipal bodies have revised the water charges in various years from 1995 to 2015

7. **Methodology for fixation of water charges:**

Besides fixing/revising the water charges to enable the municipal bodies to realise the O&M cost in full, it should conform to the reform contemplated under AMRUT. The reform (milestone) on the subject to be undertaken under AMRUT stipulates that a policy has to be adopted for fixation of user charges at differential rates for individual and institutional assessments duly safeguarding the interests of the vulnerable .It is suggested to all ULBs to adopt the methodology as stated hereunder for fixation of water charges and the methodology should therefore:

i. enable fixation of water charges on self-sufficiency basis
ii. enable fixation of differential rates for individual and institutional assessments
iii. In this process, safeguard the interests of vulnerable sections.

Different steps in this methodology are given in the following paragraphs:

Year 2016-17 may be taken as reference year for this purpose

7-1. **Step 1 - Water supply consumed by different categories**

Water supply among various users may be broadly categorized into four (4) categories.

(i) Domestic category
(a) Domestic household

(b) Bulk domestic i.e. Apartments
(ii) Commercial category
(iii) Industrial category

The supply of water for industrial category may be sub-classified as shown hereunder.

a) Treated water
b) Raw water
c) Re-cycled water

The treated water supplied to industrial category may be taken as criteria for fixation of water charges under this policy.

The total water supplied by the ULB to the above 4 categories need to be worked out on the basis of actual utilization. This can be done month-wise, since meter reading is done once in a month, wherever it is in operation. At the first instance, total water utilised for a month as per actual utilisation may be worked out as per usual procedure. As water supply to bulk domestic, commercial and industrial categories is on the meter basis, the water consumed by these three categories may be worked out based on the meter readings. Then, water supply to domestic household category can be arrived by deducting water used by bulk domestic commercial and industrial categories from the total water supply in the month. For the purpose of arriving at the percentage of category-wise consumption, details of one or two months be taken and average percentage be arrived.

Illustration:

Sl. No	Category	Water supply (MLD)	Percentage
1	2	3	4
	Total water supply per month	1000	
1	. Bulk domestic category	100	10
2	Water supply to commercial category as per meter reading	200	20

3	Water supply to industrial category as per meter reading	200	20
4	Water supply to domestic household category [Total (-) 1000 (-)500 (1+2+3)]	500 1000 (-) 500	50

7-2. **Step 2 - 0 & M cost category-wise:**

Total O&M cost incurred for water supply per annum i.e 2014-15 has to be worked out. Then, the O&M cost be apportioned among the four categories of water users based on the percentage arrived as per Step 1.

Illustration:
O & M cost on water supply per annum:

Total O&M costs of water supply include the following items.

S. No	. Item of expenditure	(Rs. in lakhs
1	Salaries of all employees in water supply section	
2	Electrical consumption charges	
3	Cost of consumables	
4	Cost of maintenance/replacement of pipelines and other material	
5	Repair to pump sets, motors and other installations	
6	Loan annuities (of borrowings taken for water supply)	
Total 0 & M cost per annum		
Category-wise cost of O&M		

For example, if the total O&M cost is RS.200 lakhs per annum, the category wise cost would be as follows (apportionment as per step1

S.No.	Category	Percentage of Consumption	Revenue per annum (Rs.in lakhs)
1	2	3	4
1	Domestic house hold category	50	100
2	Bulk domestic category	10	20
3	Commercial category	20	40
4	Industrial category	20	40
	Total	100	200

7-3. **Step - 3: Revenue from water charges**: The revenue realised from water charges includes water consumption charges, donations and all other charges referred in para 4. Revenues also need be worked out category-wise as is done in the case of O&M cost.

Illustration:

If the total revenue under water supply is RS.1S0lakhs per year, the category-wise revenue would be as shown below.

S.No.	Category	Percentage of Consumption	Revenue per annum (Rs.in lakhs)
1	2	3	4
	Total revenue from water charge per annum		150
1.	Revenue from domestic household category	50	75
2.	Revenue from Bulk domestic category	10	15
3.	Revenue from commercial category	20	30
4.	Revenue from Industrial category	20	30

7-4. Step - 4: Percentage of 0 & Mcost realised from various categories: The next step is to find out the percentage of O&M cost realised with reference to the revenue

from various categories. The revenue realised from the 4 categories is found under step 3 and the O&M costs category-wise is available under step 2. Based on these figures, percentage of O&M cost with reference to revenue realised can be worked out.

Illustration:

S.No.	Category	Revenue realised per annum (as per step 3) (Rs. In lakhs)	O & M cost per annum (as per step 2) (Rs. In lakhs)	Percentage of O & M cost realised w.r.t. revenue
1	2	3	4	
1.	Domestic household	75	100	75
2.	Bulk domestic	15	20	75
3.	Commercial	30	40	75
4.	Industrial	30	40	75

7-5. Step- 5: Self-sufficiency rate to be fixed:

The first exercise in fixation of rate is to meet 100% of 0 & M cost (self-sufficiency rate) for each category of water consumption.

Illustration:

S.No.	**Category**	**Water charges tariff (Rs.)**	**Revenue per annum (Rs. In lakhs)**	**O & M Cost per annum (Rs. In lakhs)**	**Percentage of O&M cost realise w.r.t. revenue**	**Percentage deficit in O&M Cost**	**Percentage by which water charges to be revised to meet 100%**	**Revised tariff**
1	2	3	4	5	6	7	8	9
1.	Domestic household	XI Rate per tap per month	75	100	75	25	25/75* 100 = 33.3	XI plus XI*33.3% or XI*1.33
2.	Bulk domestic	XII rate per tap per month	15	20	75	25	25/75* 100= 33.3	XII plus XII*33.3 % or XII*1.33
3	Commercial	Y Rate per one Kilo	30	40	75	25	25/75* 100 =	Y*1.33

		Litre					33.3	
4.	Industrial	Z Rate per one Kilo Litre	30	40	75	25	25/75* 100 = 33.3	Z*1.33

7.6. **Step - 6: Differential rates to individual and institutional assessments and to safeguard the interests of vulnerable sections**

After arriving at the rate of water charges to be fixed to achieve self sufficiency (100% of 0 & M cost), differential rates have to be provided to individual and institutional assessments and to provide relief to the vulnerable sections as shown here under.

1. Domestic category- household:

Two rates of water charges may be provided on the basis of property tax paid on the building to provide relief to vulnerable sections.

a	Buildings with property tax upto Rs.250/- per month	50% of self-sufficiency rate
b	Buildings with property tax of more than Rs.250/- per annum	100% of self sufficiency rate

2. Bulk Domestic - 150% of self sufficiency rate
3. Commercial Category - 200% of self sufficiency rate
4. Industrial Category - 150% of self sufficiency rate

Illustration:

Illustration:

S.No.	**Category**	**Existing Water tariff (Rs.)**	**Percentage of water tariff to be enhance to make it self sufficient**	**Revised tariff to make it self sufficient (Rs)**	**Water tariff to be fixed at differential rates (Rs)**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
	As per step 5 (col.3,8 and 9)				
1.	**Domestic category household**				
a.	**Buildings with property tax upto Rs.300/- per annum**	**Rs.100/- per tap**	**33.3**	**100*1.33=133**	**67 (50% of self sufficiency rate)**
b.	**Buildings with property tax of more**	**Rs.100/- per tap**	**33.3**	**100*1.33=133**	**133 (100% of self-**

	than Rs.300/- per annum				**sufficiency rate)**
2.	**Bulk domestic**	**Rs.100/- per tap**	**33.3**	**100*1.33=133**	**200 (150% of self-sufficiency rate)**
3.	**Commercial category**	**20 per KL**	**33.3**	**20*1.33=27**	**54 (200% of self sufficiency rate)**
4.	**Industrial Category**	**30 per KL**	**33.3**	**30*1.33=40**	**60 (150% of self-sufficiency rate)**

While fixing/revising the tariff as per the above methodology, the municipal bodies should ensure that the user charges are fair and not regressive to enable the users to pay them willingly. The affordability of the user should also be considered during the exercise and the fixation should be persuasively presented and explained to the public.

8. Fixation of Meters / Tap Rates:

(1) Domestic household connection is intended to individual houses and the water charges tariff shall be rate per tap per month.

(2) Bulk domestic connection is intended for apartments, gated communities duly providing metered connections (with water tariff rate per One Kilo Litre) In view of rapid urbanization and upcoming construction of apartments and gated communities in towns.

(3) The Water connection to commercial establishments such as hotels, shops and other non-residential establishments may be treated as commercial category (the size of the water connection may vary from 20mm to 50mm and the water tariff shall be based on Rate per One Kilo Litre).

(4) The Industrial category water connection may be treated as bulk industrial and the size of water connection may be above 50mm. The water tariff shall be based on rate per One Kilo Litre.

(5) All the commercial and bulk connections shall be provided with AMR meters for volumetric assessment of the water being consumed.

(6) All the new domestic connections shall also be provided with ordinary meters (with provision for AMR compatibility at a later date) so that over a period of time, there shall be gradual switch over to 100% metering of all

water connections. This will help water auditing and also to assess the water losses in the system and for enhancing the overall efficiency of the system.

9. Periodical revision of water charges:

In majority of the ULBs water charges have not been revised from 2005. In view of the increasing cost every year for the maintenance of the water supply ULBs may be permitted to enhance water charges by 5% every year as revision of water supply bye-law has become a time consuming process.

10. Existing tap rate for any category of water supply may be retained if the rate proposed under the draft policy is less the existing rate.

11. Guidelines to provide water supply connection outside the Municipal limits:

As per Section 143 of A.P. municipalities Act, 1965 the Council may, with the sanction of Govt. and shall, on the direction of the Govt., supply water to local authority or other person outside the Municipality on such terms, if any, as may be approved by the Govt. wherever there is pipeline very close to the Municipal limits and where there is possibility to supply the water to the local authority or to the person outside the Municipality, the Council shall submit a proposal to the Govt. for sanction to supply water outside the Municipality on payment of water charges and other charges at double the rates than applicable within the Municipal areas.

12. Date of revision of water charges:

All ULBs shall take action to amend the water supply bye-laws to revise water charges as per this policy to come in to effect from 1-4-2018 duly following the procedure prescribed in Municipal laws and Rules issued there under for amendment of water supply bye - laws.

ANNEXURE. II

Guidelines on Ease of getting water tap connection in Urban Local Bodies of A.P.

Introduction:

Water constitutes one of the important physical environments of man and has a direct bearing on his health. Water is precious to man and therefore WHO refers to "control of Water Supplies to ensure that they are pure and wholesome as one of the primary objectives of environmental sanitation". Water may be polluted by physical, chemical and bacterial agents. Therefore, protected water supply is an end result of public health of a community.

2. Legal framework:

Protected water supply is one of the foremost functions of Urban Local Bodies in A.P. Municipal Laws in A.P. stipulate that Municipal Councils shall provide a sufficient supply of protected water for the use of the residents as the funds at its disposal may admit. Further payment shall be made for the water supplied on such basis, at such times, and on such conditions stipulated by the Municipal Council in the water supply bye-laws made by the Council.

3. Atal Mission for Rejuvenation and Urban Transformation (AMRUT):

The purpose of AMRUT launched on 25.06.2015 by Ministry of Urban Development, GOI is to (i) ensure that every household has access to a tap with a assured supply of water and a sewerage connection (ii) Increase the amenity value of the cities by developing greenery and well maintained parks (iii) reduce pollution by switching to public transport. Universal coverage of water supply is a National Priority and this is the first objective to be achieved by the States/ULBs.

4. Universal coverage of water supply:

Several initiatives were taken in the past for extending water supply to as many households as possible namely (i) sanction of house service connection in the year 2008 to BPL households on payment of Rs. *200/-* per connection inclusive of cost of pipes and road cutting charges (ii) regularization of unauthorized water tap connections in the year 1988.

5. Ease of getting water tap connections:

It is considered as a top priority in public interest to extend water supply to all households in ULBs where water supply distribution lines are available by the end of December, 2017. The following guidelines are issued to achieve the above objective:

i. Sanction of water tap connection to BPL households

MA & UD Dept. in G.O. MS. No. 515 dated 25.07.2008 (copy enclosed) issued orders to the effect that any BPL household possessing a white ration and and not having access to House Service Connection (HSC) shall be granted one HSC on payment of Rs. *2001-* per connection including the cost of pipes and road cutting charges. At this juncture it is recommended to modify the status of BPL House holds eligibility for sanctioning water supply tap connection, as Under "The House hold paying Property Tax of Rs.500/- or less per year may be considered as BPL House hold for sanctioning water tap under the category of BPL House hold."

ii. Sanction of water tap connection to Non- BPL households:

Water tap connection to Non-BPL households shall be sanctioned collecting connection charges, pipeline charges, road cutting charges, other charges as per water supply bye-laws in eight equal half-yearly instalments along with property tax. The applicant shall enter into an agreement with the ULB for payment of the above charges in eight equal half-yearly instalments along with property tax. A suitable register shall be maintained to watch the recovery of connection charges, pipeline charges, road cutting charges along with property tax in eight instalments from the applicant.

iii. **Sanction of water tap connections to households where pipelines are available:**

It is noticed that owners of several households where water supply lines are available are not obtaining water tap connection for various reasons. A survey may be conducted in all ULBs regarding the availability of water supply pipelines in all localities and list out the owners *1* occupiers of buildings who have not taken water supply connection in .localities where pipelines are available. In respect of the owners of such buildings, notice shall be given to them to obtain water supply connection as per water supply bye-laws. Inspite of issuing a notice if water supply connection is not taken by such owner *1* occupier, ULB shall provide water tap connection to such owners *1* occupiers and recover the cost of providing the water supply connection as per water supply bye-laws in eight half-yearly instalments along with property tax in respect of Non-BPL households. However in respect of BPL households an amount of Rs. *2001-* shall be collected per connection in lumpsum in this regard as stated in para 5(i).

iv. Regularizationof unauthorizedwater tap connection:

MA&UD Dept. have issued instructions for regularization of unauthorized house service connections of water supply in Memo no. *3204/A1/87-1* MA dated 28.04.1988 (copy enclosed) as indicated below:

(a) By collecting' equivalent amount of donation as penalty in addition to normal donation applicable to the Municipality.

(b) By collecting an amount of Rs. *3001-* as service charges

(c) By collecting the usual water charges from the period of connection upto the date of regularization.

The matter is considered carefully and in modification of the above instructions, the following instructions are issued for regularization of unauthorized house service connections in the interest of providing universal coverage of water supply.

(a) By collecting an amount equivalent to 50% of water connection charges (donation) as penalty in addition to normal water connection charges applicable to the Municipality.

(b) By collecting the usual water charges for a period of 12 months prior to the date of regularization

(c) Suitable awareness campaigns shall be conducted about regularization of unauthorized water tap connections

(d) A suitable register shall be maintained regarding regularization of unauthorized water tap connections.

6. Payment of arrears of property tax shall not be insisted as a condition for sanction of water tap connection or regularization of unauthorized water tap connection.

7. In respect of buildings not given on rent, where the name of the owner in property tax assessment list of buildings differs with the name of the occupier or holder of the building, water tap connection may be given in favour of such holder / occupier of the property without mentioning the name of such occupier/holder as the owner in the proceedings/relevant registers.

8. The implementation of above guidelines are intended to achieve sanction of water tap connections on a saturation mode and to achieve sustainable development goals.

9. Sanction of the Municipal Council/Corporation shall be obtained for implementation of this scheme.

10. Commissioners of all ULBs and Chairpersons/Mayors ULBs are requested to launch the above programme in a Mission mode and achieve universal coverage of water supply by end of December, 2017

11. Monthly progress report shall be submitted to the DMA by the Commissioners of all ULBs in a prescribed format in Annexure-III.

Annexure-III

Progress report on achieving universal coverage of water supply for the month of _____

Name of the ULB: _____

No. of households (residential assessments)	No. of households provided with HSC i.e. water supply connection	Balance no. of households without HSC Col. (1-2)	No. of BPL households out of Col.3	No. of BPL households provided with HSC during the month	No. of BPL households provided with HSC during the month	Balance No. of BPL households yet to be provided with HSC	No. of Non-BPL households out of Col.3	No. of Non-BPL Households already provided with HSC	No. of Non-BPL households provided with HSC during the month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

No. of Balance No. of Non-BPL households yet to be provided with HSC	No. of households where pipelines are available	No. of households already provide with HSC where pipelines are available	No. of households which have not taken HSC out of Col.12	No. of households for which ULB provided HSC out of Co.12 during the month	Balance No. of households out of Co.12 yet to be provided with HSC	No. of households which have taken HSC un-authorizedly	No. of households which have got HSC regularized during the month	Balance No. of households yet to get HSC regularized
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)

Municipal Commissioner
_____ Nagar Panchayat Municipality/Municipal Corporation